



April, 1960



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WHAT'S NEW?

This year the Mutual Security "package" sent up to Capitol Hill looks, at first glance, not too different from years past. The authorization does not call for any major revisions in the basic act (Mutual Security Act of 1954), and appropriation requests are at a similar level to Administration proposals last year. (SEE NATIONAL VOTER, February 1960, for this year's requests.)

Despite the apparent sameness in the legislative proposals, the patterns in our assistance to the developing countries are changing. Trends are evolving; these are described in the background materials in the Summary Presentation of the Mutual Security Program for fiscal 1961.

After indicating that "the Mutual Security Program is constantly evolving in order to meet the changing problems with which it must deal," the Presentation describes four "significant developments": 1) concentration of development aid; 2) increase in loan activities; 3) collective acceptance of need for development aid; 4) administrative changes.

Concentration of Aid

Development aid will concentrate heavily on countries which have prospects of reaching the take-off stage toward self-sustaining growth and which are also effectively demonstrating self-help efforts. India and Pakistan are offered as cases in point since "each is about to embark on a further phase of an ambitious long-range program of economic development which, if realized, promises to bring about fundamental structural changes in the economy needed to sustain economic growth in the long run. In this task, each requires sub-

stantial public and private capital from abroad in order to achieve a rate of growth and a pattern of production sufficient to sustain growing populations."

Another application of concentrated aid involving primarily technical rather than capital assistance is a special education and training program for tropical Africa. In order to establish the preconditions for take-off, the program is proposed in order to increase the "skills and abilities of the African peoples." Regional activities will be employed "to solve problems whose scope is larger than one nation." For the first year a fund of \$20 million is requested, under Special Assistance.

The reasons for concentrating assistance in Africa are explained: "Africa of today is a continent where everything is happening at once—constitutional struggles; endless quest for economic and social advancement; civil strife; the conflict between democracy and communism, colonialism and nationalism, equality and racism. . . . The swift change from colonial status to national sovereignty is projecting the African continent into a new and more powerful voting position with respect to other parts of the world."

Increase in Loan Activities

The proportion of loans in economic assistance programs has grown from 4.5 percent in 1954 to, as the Presentation states, "20 percent in 1957 to about 31 percent in 1959, reflecting the increased activities of the Development Loan Fund. This trend is expected to grow as the economies of the underdeveloped countries become more and more self-supporting."

The DLF is requesting that \$700 million already authorized be appropriated for use in fiscal 1961.

The Presentation also mentions "transferring from the International Cooperation Administration to the DLF to the greatest extent possible assistance which ICA gives in the form of help to specific development projects."

The activities of the DLF are described not only as an illustration of increasing loan activities but also as an illustration of the concentrated aid approach. The DLF will "concentrate its efforts, as far as practicable, in areas where conditions favorable to economic progress" exist.

The Presentation also makes clear that the DLF's "tied loan" policy, which places "primary emphasis through its loan activities on financing goods and services of U.S. origin," will be continued.

Collective Aid

After acknowledging that "for some years past there have been sizable aid programs carried on by several European countries," the Presentation indicates that "there have been heartening signs in recent months of the collective acceptance of responsibility for providing this aid."

The Development Assistance Group, which grew out of a special meeting of members and associates of the Organization for European Economic Cooperation (OEEC) in January 1960, is described as an illustration. This interim group consists of a representative of the Commission of the European Economic Community as well as representatives from six member nations of OEEC (Belgium, France, Great Britain, Italy, Portugal, West Germany) plus three non-European nations (United States, Canada,

Japan). The group met in Washington, D. C., in March 1960 and plans to meet in Bonn, Germany, in June 1960.

The group is not a new agency but a coordinating body to improve the flow of bilateral aid. It came into being as a result of one of the current series of U.S. proposals that other developed countries expand their aid to the developing countries.

The Presentation also describes institutions which have evolved to permit "continuation, expansion, and strengthening of cooperative efforts," including the International Monetary Fund, the World Bank, and the International Finance Corporation, plus the Inter-American Development Bank and the International Development Association. The IADB charter was ratified in December 1959 by member nations including the United States. IDA's Articles of Agreement will remain open for signature by member governments to the end of 1960; IDA could come into being by mid-September if 65 percent have signed.

IADB held its first meeting in El Salvador in February 1960 and is expected to make its first loan in June. This bank represents the fulfillment of desires long held by Latin American countries for a development instrument tailored to their needs. IADB will have two departments: one, to finance development projects on normal banking terms, as in the case of the World Bank or the Export-Import Bank; the other, to provide financing on more flexible terms as is done by the DLF and the proposed IDA.

IDA is designed "to meet the important development requirements" of less developed member countries "on terms which are more flexible and bear less heavily on (their) balance of payments than those of conventional loans." As the "soft loan" window of the World Bank, IDA will be administered as an integral part of the Bank.

IDA is given wide latitude "to shape its financing to meet the needs of actual cases as they arise." Although most of the projects are likely to be of the type financed by the World Bank (basic development projects), IDA-financed projects can also include such projects as pilot housing. The terms of the loans may be whatever IDA deems "appropriate," including such lenient terms as "loans

Dates to Remember

April 25—1945	U.N. Conference began in San Francisco
—1960	League Convention begins in St. Louis
April 26—1564	Shakespeare baptized
—1960	2nd day League Convention
April 27—1937	First Social Security deduction made
—1960	3rd day League Convention
April 28—1789	Mutiny on the Bounty
—1960	4th day League Convention
April 29—1913	Zipper patented
—1960	League Convention ends

repayable in foreign exchange with long maturities or long periods of grace or both; or loans repayable wholly or partly in local currency"; or even loans free of interest.

IDA will follow the Bank's practice of encouraging borrowers "to make use of international competition in placing orders"; no conditions will be imposed that the borrowed money be spent "in the territories of any particular member or members"—i.e., no "tied loans."

All member countries will pay 10 percent of their subscriptions in gold or freely convertible currencies. The 17 more industrialized countries will also pay the remaining 90 percent of their subscriptions in gold or freely convertible currencies; the 51 less developed countries will pay their 90 percent in their national currencies. Subscriptions are payable over a 5-year period.

A major example of joint approach to development aid is reflected in the new legislative provisions in the Mutual Security Program for the Indus River Project. A new section in the Act affirms U.S. willingness to participate in this venture to develop the Indus River for the benefit of both India and Pakistan.

According to testimony of Under-Secretary of State Dillon before the House Foreign Affairs Committee, "the plan for the optimum use of water resources of the Indus Valley will have to be worked out carefully over an extended period of time" and "it is important that the Congress give statutory endorsement to U.S. participation in this program on a practicable basis." (See NATIONAL VOTER, February 1960, for provisions in legislation.)

The waters of the Basin have been a disputed question between India

and Pakistan ever since 1947. Negotiations for the conclusion of a water treaty between the two countries were initiated in 1954 by the World Bank; final agreement is expected within the next two months.

The Bank has evolved a 10-year financial plan to put to use the waters of the Indus River Basin for irrigation, flood protection, and hydroelectric power. The countries participating in the plan are Australia, Canada, Germany, India, New Zealand, Pakistan, United Kingdom, United States. The implementation of the Bank's plan is contingent on the ratification of the treaty by India and Pakistan.

Administrative Changes

A "fundamental reorganization" in the personnel program of ICA was begun three years ago "on the assumption that technical and economic cooperation with developing countries will continue for a considerable period." Recent changes include:

1) "Improved methods of evaluating" the technical competence of a job applicant as well as his nontechnical qualifications, such as his family's ability "to adapt to life in a foreign environment."

2) Developing methods of identifying and tapping sources of scarce specialists for "hard-to-fill vacancies" through systematic coverage of professional meetings and increased advertising in professional journals.

3) More attention to the preparation of employees and their families for living and working abroad.

4) Increasing recognition of the importance of facility in the language of the country to which the employee is assigned, and identification of overseas positions in which a specified level of fluency in local language is required;

5) The establishment of a tailor-made training program to meet the expanding requirements of technical cooperation with Africa. Boston University is currently conducting this program, which was created to "enable ICA staff members who are or may be assigned to Africa to understand better the basic factors involved in African development."

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Insofar as these trends seem to be moving toward long-range, joint, adequately financed and effectively administered development assistance programs, the outlook at the outset of the sixties seems promising.

KEEPING UP WITH LEAGUE PROGRAM

Water Resources

Water Pollution Control Appropriation. The House Appropriations Committee March 24 recommended granting to the Public Health Service \$45 million for the fiscal 1961 operation of the sewage treatment plant construction program. This is the same amount appropriated in fiscal 1960 under the 10-year authorization for \$50 million annually. Testimony at the hearings stressed the importance of maintaining the program at its present level at least. The President requested \$20 million for the fiscal 1961 program, as he did for the fiscal 1960 program.

Resources and Conservation Act of 1960. The Senate Interior and Insular Affairs Committee has agreed to accept, from the administrative agencies which would be affected by enactment of S. 2549, letters in lieu of further hearings. The chairman of the Committee, Sen. Murray (D., Mont.), has asked the Budget Bureau to explain a statement in its report on the bill to the effect that present coordinating machinery is adequate in the natural resources field, in the light of the Report of the Presidential Advisory Committee on Water Resources Policy, submitted in 1955.

Northeastern Water and Related Land Resources Compact (S. 2842, H.R. 9999, H.R. 10022). Mrs. Elizabeth Roper, Connecticut State Water Chairman, testified before the House Public Works Committee March 30 for the New England Leagues in support of the House bills. A supporting statement was filed by the League of Women Voters of the United States.

IDA: Hearings were held in early March by both the House Banking and Currency Committee and the Senate Foreign Relations Committee on U.S. membership in the International Development Association (S. 3074, H.R. 11001).

Trade

Expansion of Exports. An Administration program to increase U.S. exports was announced by the President March 17. He said such a program could "add substantially to the millions of jobs already generated for our people by export trade" and could help meet the balance-of-payments problem with which the United

States is faced, thereby sustaining our capacity to maintain overseas expenditures for investment, private travel, maintenance of U.S. military forces abroad, and foreign economic aid. Most of the program can be put into effect under existing legislative authority, but he asked for the "cooperation and support of Congress" as vital to the success of the program.

His proposals would: 1) continue efforts to end discriminatory trade barriers against U.S. goods overseas, through negotiations among nations participating in the General Agreement on Tariffs and Trade and with the assistance of the International Monetary Fund; 2) provide for Export-Import Bank guarantees of non-commercial risks for short-term export credits and improvement of Export-Import Bank credit facilities for medium-term export transactions; 3) strengthen trade promotion services of the Commerce Department; 4) expand and give higher priority to commercial activities of the Foreign Service; 5) expand the Agriculture Department's trade promotion activities; 6) put more emphasis on government reports helpful to exporters; 7) emphasize tourist travel to the United States and make better use of international fairs and trade missions.

Federal agencies have been requested to consult with businessmen on ways to promote better foreign trade relations.

Sugar Act Extension. The Administration proposal to extend the Sugar Act, due to expire at the end of 1960, for four years was introduced as S. 3210 by Sen. Bennett (R., Utah) March 16 and was referred to the Senate Finance Committee. It would make some changes in the import and domestic market quota system and give the President standby authority to reduce the quota of any foreign producer other than the Philippines for any calendar year and permit importation of a corresponding quantity from other countries. The last extension of the Act, in 1956, was for four years. Some members of Congress propose extending it now for one year with no amendments.

United Nations

Though disarmament has been a

concern of the United Nations since the world organization began, individual member states have also been holding meetings on such subjects as the prevention of surprise attack and the cessation of nuclear testing. On September 7, 1959, a new 10-nation committee was established to discuss disarmament as a whole. On November 20, 1959, the General Assembly unanimously passed a resolution referring all disarmament matters to this new committee, whose member nations are Bulgaria, Canada, Czechoslovakia, France, Italy, Poland, Rumania, U.S.S.R., United Kingdom, United States.

Down the hall from the two-year-old conference on the cessation of nuclear testing, in the Palais de Nations in Geneva, this new committee began its deliberations March 15. At the opening session the British delegate made the point that the central problem in disarmament is how to go about it without upsetting the balance of power, for if in the process of disarmament the balance of power is upset we would by this action be closer to war than before.

In the light of the power balance, disagreements between the East and West are not intransigent, war-mongering attitudes. Rather, their differing interpretations of inspection and control, their stands on treatment of weapons and nuclear stockpiles, their divergent outlooks on foreign bases are but realistic attempts by each government to keep its own country in an advantageous position during all stages of disarmament.

With the question of Berlin still unresolved, the power shape of Asia yet unknown, and the period of relaxation in world affairs just six months old, the plans of both sides are but natural approaches. However, both sides have said their plans are not "package deals," both have indicated a willingness to talk (some estimate for as long as two or three years), and the Soviet attitude has been mild and cooperative on procedural matters. The outlook seems favorable for a long period of patient negotiating toward reduction of the arms race. The hope is that at least the race can be stopped short of outer space.

The League — Japanese Style

Shortly after the end of World War II, women in many countries were enfranchised. They were then in about the same position in which women of the United States found themselves when they won suffrage in 1920: they had to learn how to use the vote to achieve long-time goals. These women in other countries had heard of the League of Women Voters; now they sought advice from it.

Thus the Carrie Chapman Catt Memorial Fund was established by the League in 1947. A major part of CCCMF work is still in the form of assistance to women in other parts of the world who want to learn how a voluntary organization works. Sometimes the foreign women visit this country and consult with the CCCMF and the League. Sometimes a League leader visits their country. It is inevitable that in many cases the new group in the foreign country calls itself "The League of Women Voters." This is "sincerest flattery," but the relationship between these groups in other countries and the League of Women Voters of the United States is merely a sympathetic one; there is no official connection.

Often a League leader who is traveling abroad anyway is glad to visit these foreign "Leagues." Such was the case with Mrs. Werner J. Blanchard, former member of the League's national Board and now Chairman of the League's Education Fund. She made a five-months visit to the Far East on family, church, and U.S. government assignments. To these she added the League, and we share with you a few highlights of her experiences in Japan.

"The Osaka League has about 1,000 members. The interpreter, who seemed to know much about the League of Women Voters of the United States, had gleaned all his information out of one of our pamphlets, the only League publication in

the U.S. Cultural Center. I offered to send him additional material."

Mrs. Blanchard's visit with the Osaka League started with a hurried briefing from the interpreter, then "in a few minutes I was bowing to the president of the League.

"Some 60 kimono-clad women were gathered around a big table. Despite the difference in their clothes, their faces, their language, I thought of them as a Provisional League in Middletown, Ohio—and away we went. I soon stopped for questions; most of them came from two women, one on the school board, the other a lawyer.

"My group-work nerves told me it was time to do something, so we had buzz sessions. This was really revolutionary and at first they sat stiffly. Then they got the idea; then they got lively. When we came together again each group told of a particular community problem which they thought their League could do something about. These problems included education, honest elections, how to finance the League and how to get members! I certainly felt at home."

Next came "a fabulous dinner," then the program. Finally, "with everyone exclaiming thank-you and helping me with my slippers and shoes and camera, I was put into a taxi for the station and back to Kyoto."

Mrs. Blanchard next visited Hiroshima where she "was tremendously impressed by the spirit of this place



Mrs. Blanchard visits with members of the University Woman's Association of Korea

"You can't take it with you" . . .
... but you can make sure it will do
League work.

Here are three simple ways:

1. Make a direct bequest to the League in your will.
 2. Provide for a direct transfer.
 3. Set up a trust.
- Consult your bank and your attorney as to how best to carry out your wishes.

Guess what Mrs. Blanchard found on a bulletin board in the front entrance to the ICA building in Manila. A poster entitled "Vote in your local and state elections," which said "If you want nonpartisan information before you cast your ballot, the League of Women Voters will help you," then listed names and addresses of all state League presidents. The poster was sent out by the Department of Defense as part of its joint effort with the League to encourage an informed absentee vote.

which had been sacrificed to end the war."

Next she went to Tokyo.

"The meeting of the League of Women Voters of Tokyo was held at headquarters in a home.

"The room was set up Japanese style—low table, about 25 women seated around it on cushions. A chair and table had been provided for me. I debated whether breaking the ice was worth a lame back and decided it was, so I took away the table and sat on the floor. They were delighted.

"They told me they have 44 local Leagues, 11 of them in Tokyo. There is no connection between their Leagues and the one in Osaka; in fact they didn't even know there was one in Osaka. Program items are worked out in cooperation with other women's groups; they work against prostitution, against the old family system, and for the protection of the Constitution.

"After tea they presented me with their membership pin; they felt sorry for me that this was the first League pin I had ever had."

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